

111TH CONGRESS
1ST SESSION

H. R. 3066

To authorize the Secretary of Housing and Urban Development to make temporary mortgage assistance loans to save the homes of unemployed homeowners who are delinquent on their mortgage payments.

IN THE HOUSE OF REPRESENTATIVES

JUNE 26, 2009

Mr. CUMMINGS introduced the following bill; which was referred to the
Committee on Financial Services

A BILL

To authorize the Secretary of Housing and Urban Development to make temporary mortgage assistance loans to save the homes of unemployed homeowners who are delinquent on their mortgage payments.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Temporary Mortgage
5 Assistance Loan Act of 2009”.

6 **SEC. 2. CONGRESSIONAL FINDINGS.**

7 The Congress finds that—

1 (1) as the economy worsens and unemployment
2 rates continue to rise, a growing number of long-
3 time homeowners are finding themselves in need of
4 emergency short-term mortgage help in the event of
5 a job loss or other crisis;

6 (2) these homeowners may not need or want a
7 permanent modification of their home loans or they
8 may not qualify for government initiatives aimed
9 principally at subprime borrowers or homeowners
10 with exotic mortgage products; and

11 (3) low-interest emergency mortgage loans can
12 fill this gap in options for responsible homeowners in
13 need of help and stem the rising tide of foreclosures
14 that has depressed housing values across the United
15 States.

16 **SEC. 3. TEMPORARY MORTGAGE ASSISTANCE LOANS.**

17 (a) **AUTHORITY.**—The Secretary of Housing and
18 Urban Development (in this Act referred to as the “Sec-
19 retary”) shall, to the extent amounts are made available
20 in advance for loans under this section, make loans under
21 this section in the form of mortgage assistance payments
22 to mortgagees of all or part of the monthly payments due
23 under the qualified mortgages of qualified homeowners
24 who are in default on their mortgages.

1 (b) QUALIFIED HOMEOWNERS.—For purposes of this
 2 section, the term “qualified homeowner” means the mort-
 3 gator under a qualified mortgage or mortgages—

4 (1) who is 60 days or more delinquent with re-
 5 spect to any payment due under the qualified mort-
 6 gage or mortgages;

7 (2) who, or a member of whose household who
 8 before unemployment contributed significantly to the
 9 household income—

10 (A) is unemployed, which unemployment
 11 renders the mortgagor temporarily unable to
 12 correct the delinquency and resume full pay-
 13 ments under the qualified mortgage or mort-
 14 gages;

15 (B) has a reasonable prospect, in the de-
 16 termination of the Secretary based on payment
 17 history prior to such unemployment, education,
 18 or participation in worker retraining during the
 19 period of such unemployment, for obtaining em-
 20 ployment; and

21 (C) who has registered for and is receiving
 22 State unemployment benefits;

23 (c) QUALIFIED MORTGAGE AND MORTGAGES.—

24 (1) QUALIFIED MORTGAGE.—For purposes of
 25 this section, the term “qualified mortgage” means,

1 with respect to a qualified homeowner, a first mort-
2 gage that—

3 (A) is secured by an interest on a one- to
4 four-unit residence that is the principal resi-
5 dence of the qualified homeowner that is not
6 subject to more than one other subordinate
7 mortgage; and

8 (B) has an aggregate outstanding obliga-
9 tion that, at the time of application for assist-
10 ance under this section, exceeds the appraised
11 value of the residence that is subject to the
12 mortgages.

13 (2) QUALIFIED MORTGAGES.—The term “quali-
14 fied mortgages” means, with respect to a qualified
15 homeowner, a qualified mortgage and another subor-
16 dinate mortgage secured by an interest in the same
17 residence, which mortgages have an aggregate out-
18 standing obligation that, at the time of application
19 for assistance under this section, exceeds the ap-
20 praised value of the residence that is subject to the
21 mortgages.

22 (d) LOANS.—A loan under this section for a qualified
23 mortgage or mortgages of a qualified homeowner shall—

1 (1) be in the form of monthly payments to the
2 mortgagee or servicer of the mortgage or mortgages
3 on account of such mortgage or mortgages—

4 (A) during a period that ends upon the
5 earlier of—

6 (i) a determination by the Secretary,
7 pursuant to regular periodic reviews of the
8 financial circumstances of the household of
9 the mortgagor, that because of changes in
10 such financial circumstances payments are
11 no longer necessary; or

12 (ii) the making of the 18th such
13 monthly payment on behalf of the qualified
14 homeowner;

15 (B) in an amount—

16 (i) on a monthly basis, that does not
17 exceed the amount, as determined by the
18 Secretary, that bears the same proportion
19 to the monthly amount due under the
20 mortgage or mortgages, including prin-
21 cipal, interest, taxes, assessments, ground
22 rents, hazard and mortgage insurance, and
23 such other fees as the Secretary may ap-
24 prove, as the amount of monthly income
25 lost due to the unemployment referred to

1 in subsection (b)(2) in the mortgagor's
2 household bears to the amount of the ag-
3 gregate household income of the mortgagor
4 before such unemployment; and

5 (ii) in the aggregate, that does not ex-
6 ceed \$30,000;

7 (2) be secured by a lien on the principal resi-
8 dence that is subject to the qualified mortgage or
9 mortgages and subordinate in priority to such mort-
10 gage or mortgages; and

11 (3) be repayable upon such terms and condi-
12 tions as the Secretary shall establish, which shall
13 provide that—

14 (A) the loan shall bear interest at a rate
15 determined by the Secretary, which shall not
16 exceed 3 percent annually;

17 (B) such interest shall accrue from the
18 time each monthly payment under the loan is
19 disbursed;

20 (C) repayment of the loan principal and in-
21 terest shall not be required until the expiration
22 of the 60-day period that begins upon the ear-
23 lier of—

24 (i) the time that the mortgagor or
25 member of the mortgagor's household who

1 is unemployed, as referred to in subsection
2 (b)(2), obtains employment; or

3 (ii) the Secretary ceases making
4 monthly payments under the loan on be-
5 half of the qualified mortgagor.

6 (e) FUNDING.—Of the funds made available to the
7 Secretary of the Treasury under title I of the Emergency
8 Economic Stabilization Act of 2008 (12 U.S.C. 5211) that
9 remain unobligated, the Secretary of the Treasury shall
10 make available to the Secretary of Housing and Urban
11 Development such sums as may be necessary for costs (as
12 such term is defined in section 502 of the Federal Credit
13 Reform Act of 1990 (2 U.S.C. 661a)) of loans under this
14 section.

15 (f) REGULATIONS.—Not later than the expiration of
16 the 90-day period beginning on the date of the enactment
17 of this Act, the Secretary shall issue any regulations nec-
18 essary to carry out this Act.

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